

Fact Sheet: 2008 Filing Season General Overview

❑ Filing and tax return completion options

- **ReadyReturn:** We are introducing the full implementation of the ReadyReturn program. ReadyReturn is a great tax filing method where we do the work for taxpayers. Nearly one million taxpayers are eligible for ReadyReturn.
 - ReadyReturn is based on a simple premise: we use the information we already have, such as W-2 information, to provide taxpayers with a completed return for their final approval and submission to us. We do most of the work, so taxpayers benefit.
 - ReadyReturn benefits people with the most basic filing scenario by providing them with a completed tax return to file.
 - Nearly one million taxpayers are eligible for ReadyReturn. Taxpayers may qualify if they had only one employer in 2007 and filed a 2006 California resident return with:
 - Single filing status.
 - No dependents and not claimed as a dependent.
 - No special credits.
 - Standard deduction.
 - Taxpayers can find out if we have a ReadyReturn waiting for them by checking our website at ftb.ca.gov or calling 800.338.0505.
- **CalFile:** For taxpayers who can't use ReadyReturn we offer CalFile; the state's no cost, direct-to-government, e-file program in both English and Spanish this year. CalFile is available to more than 6 million taxpayers. CalFile accepts income of up to \$310,000, itemized deductions, and some tax credits.
- **Online Calculating 2EZ:** Our online 540 2EZ now does the math! Taxpayers can fill in their information on this calculating tax form to print and mail to FTB.

❑ New filing requirement for Registered Domestic Partners (RDP)

- For the 2007 tax year, new state law requires registered domestic partners to file their state tax returns using either the joint filing or the married filing separately status. Under prior state law, they used the single or head of household filing status. The new state law does not impact RDPs' filing status on their federal tax returns.

❑ **Filing Requirements**

- For 2007, taxpayers will not have to file if they are:
 - Single or head of household and their total income was less than \$14,138.
 - Married or registered domestic partners (RDP) filing jointly, and their total income was less than \$28,276.
- However, taxpayers who had withholding taken from their pay or who made estimated tax payments must file a tax return to get their refund.

❑ **Refund Options**

No matter what filing method taxpayers choose, they can have their refund deposited directly into their bank account. It's faster, safer, and more convenient than waiting for a check.

- Taxpayers may request that their refund be electronically deposited into more than one account.
- Taxpayers can request FTB to split their refund into their checking account, savings account, IRA, or money market.
- The purpose of allowing taxpayers to "split" refunds is to encourage saving at least some of the refund money.
- Taxpayers who choose to deposit their refund into an IRA or money market must make sure their financial institution will accept deposits into those accounts.

❑ **Taxpayers can do many tax chores online at ftb.ca.gov including:**

- Get their refund status.
- Check My FTB Account for their wage and withholding data plus their balance due or payments made—great for taxpayers who make estimated tax payments.
- Use Web Pay to make payments via their bank account. Taxpayers no longer need a Customer Service Number (CSN) to use Web Pay. They only need their social security number and their last name to access the application.
- Use their credit card to make payments.
- Apply for installment payment plans.
- Email their tax questions.
- Find answers to tax questions.

❑ **Charitable Contributions**

- We have 11 charitable contribution funds on the tax forms that benefit causes such as breast cancer research, Alzheimer's disease, and emergency food assistance program funds, to name a few.
- Contributions made by taxpayers to these funds will reduce their refund or increase the amount of taxes they owe. Taxpayers who contribute to any of these funds can take a charitable contribution on next year's return if they itemize their deductions.

❑ **We have several credits that many taxpayers can use to lower their taxes, including:**

- **Personal Exemption Credit**
 - This year's personal exemption credit totals \$94 per person and \$188 for married couples.
 - Seniors who are 65 years or older receive an additional \$94.
 - Blind individuals receive an additional \$94.
- **Dependent Exemption Credit**
 - Families can reduce their tax bill by \$294 for each dependent.
- **Renter's Credit**
 - Single renters can claim a \$60 credit if their adjusted gross income is \$33,272 or less. Married/RDP couples or head of household filers can claim \$120 if their adjusted gross income is \$66,544 or less.
- **Child & Dependent Care Expenses Credit**
 - For individuals who pay for dependent care to seek or maintain employment, this credit provides up to \$1,050.

❑ **What are the most common errors taxpayers make when completing their returns?**

- **Claiming the wrong estimated tax payments**
 - Taxpayers should verify that the amount claimed on their return matches what we have on record by checking our website.
 - Taxpayers can use My FTB Account to view their total estimated tax payments before they file.
- **Exemption credits**
 - Taxpayers should verify that they add their exemptions correctly, and
 - Transfer the total to the correct line of the tax return.
- **Tax computation errors**

❑ **What if taxpayers cannot file by April 15?**

- All taxpayers get an automatic six-month filing extension to October 15.

Note: The extension is only for filing the return and not for payment of any taxes that may be due. Taxes are due on April 15 and are subject to interest and penalties if not paid by that date.

❑ **What if taxpayers owe money to FTB and can't pay?**

- Taxpayers should always file on time and pay as much as they can with the return to save money in penalties and interest.
- If taxpayers have a financial hardship and cannot pay their taxes in full, they have several alternatives:
 - **Installment Agreement Request**
 - Taxpayers can make monthly installment payments if they owe \$25,000 or less and can repay it within five years.
 - Apply online, and we can approve most of these requests within a few days.
 - For more information, call 800. 689.4776 or complete an Installment Agreement Request, which is available on our website.
 - **Credit Card**
 - We accept Visa, MasterCard, Discover/NOVUS, and American Express.

- Taxpayers may use their touch-tone phone to call toll-free 888-.2PAY.TAX or 888.272.9829. Or, visit Official Payments Corporation's website at officialpayments.com.
- Official Payments Corporation will charge the taxpayer a convenience fee for this service based on the amount charged.

❑ **What is use tax and how do taxpayers know if they owe it?**

- California residents are required to pay California use tax on purchases made from out-of-state sellers, whether by telephone, over the Internet, by mail, or in person if:
 - The seller does not collect California sales or use tax, and
 - If taxpayers use, give away, store, or consume the item in California.
- Visit the Board of Equalization's website at boe.ca.gov for more details.

❑ **Tax Assistance Telephone Numbers**

- General Toll-Free Phone Service 800.852.5711

❑ **Contact**

- Franchise Tax Board
Public Affairs Office
916.845.4800